

not like the original bipartisan House proposal at \$375 billion, and it did not like the bipartisan Senate bill at \$318 billion, how about the reduced bipartisan House bill at \$284 billion? The answer was another veto threat.

Again, hardly the answer that House and Senate Republicans and Democrats were hoping for from their President and hardly the response the economy needs.

Fast forward one more time to June 23, when the Senate conferees voted in the conference committee meeting with the House to resolve the differences between the two bills. The Senate made a formal offer to the House in the amount of \$318 billion and requested that the House respond to the offer at the next meeting on July 7. So, yesterday, after 2 weeks' time, the House and Senate met again. There had been hopeful signs that the House conferees might be prepared to accept the Senate's funding level, and many of us thought we might have a breakthrough that would move the bill forward. But what did we hear yesterday? The House was not yet prepared to respond to the Senate's offer.

What is clear to many of us is that unless the White House and the Republican leadership in the House release their stranglehold on House conferees, we will not have a transportation bill this year.

Transportation has almost always been—and has been in the Senate again this year—a bipartisan priority. Chairman INHOFE has done a superb job of guiding the bill forward. But he cannot do it alone.

I remain hopeful that the Bush administration will realize that our economy, our infrastructure, and American families need and deserve a good transportation bill, a bill that will create good jobs and provide the investments in our Nation's infrastructure that are so desperately needed.

We need more than a President who simply says "no"—a President who says he will veto a final transportation bill with either the Senate or the House spending levels.

By continuing to say "no," the President jeopardizes 1.7 million new jobs in our Nation and 6,500 jobs in South Dakota alone. He puts at risk necessary improvements for rural and Native American roads.

Next Tuesday, there will be another meeting of the conferees. I hope this critical issue of the investment level will be resolved, and that we can get on with the business the American people expect us to conduct. If we ask ourselves, Are we doing right by America on this transportation bill? The answer is that the Senate has done right. The House has made a start. But, unfortunately, without the President's constructive participation, we cannot complete the assignment. We will not have a transportation bill. We will not create needed jobs. We will be failing the American people.

I urge all Americans to let their Representatives in the House know, and let

the President know, that we cannot afford to fail when it comes to this important bill.

We can do better, and I remain hopeful that the President will confront the challenge, reverse his continued opposition, and join the Senate in supporting a transportation bill that makes sense for our country.

Mr. President, I also want to address a concern that many of us expressed yesterday about our current circumstances, procedurally and parliamentarily.

The majority leader threw down the gauntlet again last night in a very unfortunate decision. That decision, of course, was to file cloture. Having filled the tree, which means not only are Senate Democrats precluded from offering amendments before we have even offered the first amendment or had one vote, it is now the majority's decision to thwart the effort to have the kind of debate that all of us anticipated on class action and, simply said, we will have wasted an entire week in what is a very limited legislative period to begin with.

There is no question the cloture vote will be defeated. We will have wasted that week. We could have disposed of most of the amendments by now. Most of my colleagues had already expressed to me a willingness to offer their amendments with very short time limits. How ironic that in the name of saving time we have wasted time.

I made a legitimate and bona fide heartfelt offer yesterday that we limit Democratic nonrelevant amendments to 5, relevant amendments to 10. I thought it was an interesting juxtaposition—the majority leader actually offered an unlimited list of relevant amendments which would have prolonged debate perhaps for weeks if that had been agreed to.

We have made a good-faith offer. I am troubled and again frustrated that we have come to this point. We have wasted a week. We will waste many more days, if not weeks, in the future with this practice. We have learned from the past how unproductive these approaches to debate can be. It is too bad we have to learn all over.

I yield the floor.

The PRESIDENT pro tempore. The Senator from Utah.

Mr. REID. Mr. President, will the Senator from Utah yield for a unanimous consent request?

Mr. BENNETT. I am happy to.

ORDER OF PROCEDURE

Mr. REID. First of all, I ask consent morning business be extended 5 minutes on each side.

The PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. REID. Mr. President, I ask on the Democratic side, when our time occurs in half an hour, that Senator HARKIN be given 15 minutes, Senator LAUTENBERG 10 minutes, and Senator CANTWELL 10 minutes.

The PRESIDING OFFICER (Ms. MURKOWSKI). Without objection, it is so ordered.

THE ECONOMY

Mr. BENNETT. Madam President, one of the things that has struck me since I have been in the Senate is that during debate in the Senate, particularly during morning business, Senators seem to have no sense of history. They seem to create a crisis out of the moment and have no sense of placing their statements in any kind of historic context. This is an opportunity for missing what really is happening. If you do not place something in its context, you do not understand it properly. For that reason, I have decided to talk a little bit about the debates that have been going on with respect to the economy, where the economy is, where the economy is going.

Let me take listeners back to the election of 1992. I have particular focus there because that is the election in which I was first chosen to come to the Senate. During that election, there was a lot of conversation about the economy. We were in a recession, everybody said. We are in a terrible slowdown, everybody said. In fact, as we now know, looking at it in historic context, things were on the rise. There had, in fact, been a recession, but we were in recovery during the election of 1992. It just did not feel like a recovery.

That is one of the historic lessons we should all learn. The sense of where we are is almost always lagging events. That is, we have a feel that we are in a recession when, in fact, we are in a recovery. On the flip side of that, we can have a feel that we are in a recovery when we are, in fact, in a recession. It is because things take a little while to sink into the consciousness even though they are going on in reality.

In 1992, then-Governor Clinton and I, running, obviously, for different offices, both were faced with an electorate that felt the economy was in trouble. We both talked about what we needed to do to get the economy out of trouble. Then, when the normal course of the business cycle brought the economy back, the temptation on the part of all politicians was to take credit for that, as if the recovery that was taking place in 1993 and 1994 occurred solely because we had been elected. That is very satisfying for a politician to want to do. It does not happen to be intellectually accurate, but it is something everybody does.

As I say, I was elected in 1992. In 1993, I joined the Banking Committee. As a member of the Banking Committee, I had the occasion to listen to the Chairman of the Federal Reserve Board when he came before the Banking Committee to make his report on the state of the economy. I remember very clearly because the Chairman of the Federal Reserve Board, Alan Greenspan, had been appointed by a Republican President and was viewed as a Republican

holdover, some of the Democratic members of the Banking Committee were very critical of him at the time. They said: If this is a recovery—voices dripping with sarcasm—where are the jobs? I remember charts being held up in the Banking Committee to confront Alan Greenspan to say, if it is a recovery at all, it is a jobless recovery. Where are the jobs? Greenspan was subjected to heavy criticism from Democratic members of the Banking Committee because somehow it must be his fault that there was a jobless recovery.

Looking back, again in the context of history, we know that the creation of jobs is always what the economists call a lagging indicator. That is, a recovery starts; it takes hold; the jobs that had been lost in a recession are always the last thing to come back in a recovery.

The jobs started to come back in 1994, in 1995. The Clinton administration took credit for that: We did it; the only reason the jobs came back is because Bill Clinton was elected President in 1992. The Republicans had an answer to that: No, we did it; the only reason the jobs came back is because Newt Gingrich became Speaker in 1995. In fact, of course, the business cycle was well entrenched, the recovery was underway, and the jobs came back, probably without regard to who was President or who was Speaker. It was part of the standard business cycle.

Then we got into that period of boom, and everybody was excited that the boom was going to go on forever. I remember asking Alan Greenspan in one of his other appearances before the Banking Committee, as we were talking about the continual rise in the economy: Mr. Chairman, have we repealed the business cycle? Is the business cycle over, and we are never going to have another recession?

Chairman Greenspan smiled that wry smile of his and said: No, Senator, we have not repealed the business cycle, and there will be a correction, a recession—call it what you will—at some point in the future. We cannot predict when and we cannot predict how deep, but it will be there.

The point of this in political terms is that President Clinton and the Congress that was elected with him in 1992 inherited a strong recovery tide in the economy. However much we took credit for it ourselves, we really had little or nothing to do with it.

Now, let's go ahead 8 years to the election of 2000. In the election of 2000, it felt as if the economy was still enormously strong. Remember, I discussed our feelings of how things are going usually lag reality. In fact, we now know that the economy started to slow down in 2000. We now know that gross domestic production growth, which is the main measure of recessions and recoveries, was dropping sharply in the last two quarters of 2000, but it did not feel like it. The layoffs had not started yet because businesses were hoping this was temporary. Employment was still up, and we talked about this enor-

mously strong economy we were having.

Looking back on it now, we know that the President who was elected in 2000 inherited a slowing economy headed toward recession, in contrast to the President who was elected in 1992, who inherited a strong recovery headed toward a period of great growth. Naturally, in the political world, that President was blamed for that slowdown. It all happened on his watch, so it was all his fault.

Interestingly enough, I recall that in the election of 2000, there was one candidate who spoke of the coming slowdown, and he was attacked for trying to talk down the economy for political purposes. That was Governor George W. Bush of Texas, holder of a Harvard MBA, who could see the signs that this slowdown was coming and talked about it during the campaign, only to be attacked by his political opponents for his pessimism.

But he inherited a slowing economy, a slowdown that started in 2000. The GDP went negative in the first quarter of 2001 and hit its worst point in the third quarter of 2001, simultaneous with September 11 and the hit that gave to the economy.

So we did have a recession. It was advertised and forecast by the economic information that preceded it, and the President and the Congress have been struggling with that recession and the recovery that has followed ever since.

It is interesting to me that even though that recession was shorter and shallower than the recession that had occurred 8 or 9 years before, the rhetoric on the Senate floor referred to it as "the worst economy in 50 years." We were told this President was "the worst President since Herbert Hoover." No sense of history, no understanding of the reality, no connection with the real data—but that kind of rhetoric has been used on the floor of the Senate.

It is also interesting that the same attack that was made when Bill Clinton was a fresh President was made again with respect to this recovery: Where are the jobs? The same questions I heard thrown at Alan Greenspan by the Democrats on the Banking Committee have now been thrown not at Alan Greenspan but at George W. Bush: Where are the jobs? Once again, economic history shows that jobs are the lagging indicator, that jobs come at the end of the turnaround and not in the middle of it. And now, exactly on time where economic history would indicate, the jobs have started to appear.

All of a sudden, the argument that this is a jobless recovery no longer holds any water. We have increased jobs for 10 consecutive months. In the months of March, April, and May, we added more jobs to the economy than were lost in the 3 months following 9/11. We had the disaster of 9/11 and 3 months of a loss of jobs. As the airline industry went into the tank, the hospitality industry and others were shattered by the 9/11 situation. We lost a

tremendous number of jobs. In March, April, and May of 2004, we added more jobs than were lost in that corresponding 3-month period following 9/11.

So now we do not hear about the jobless recovery any more. Now the rhetoric has shifted to "the middle-class squeeze." I heard one Senator on the Senate floor stand here and say: Property taxes in my State have gone up so high the middle class cannot handle it—to which I want to say, you mean George W. Bush is responsible for the fact that property values in your State have gone up, and your State legislature has responded to that by reassessing property and raising property taxes in your State? That is the President's fault?

Well, in today's political atmosphere, of course, it is the President's fault. Anything that happens is the President's fault.

The point I want to make is, in historic terms, just as President Clinton inherited an economy that was on the rise because of forces that were in place prior to his election, just as President Bush inherited an economy where the forces were on the decline prior to his election, the next President, the one who will be inaugurated on January 20, 2005—whoever he may be—will inherit an economy that is strongly on the rise where all of the economic indicators are up and where the groundwork for a significant period of growth and prosperity has already been laid. Whoever that President is will take credit for that growth, even though the groundwork for it has been laid prior to his inauguration.

Now, I will say that if that President is George W. Bush, he might be entitled to some of that credit. But the fact is, the combination of the actions in monetary policy by the Federal Reserve Board and in fiscal policy by the Congress of the United States has been responsible for creating the atmosphere of economic growth and strength the next President and the next administration will preside over.

I repeat what I say here often: We politicians need to have a greater sense of humility and reality and understand we do not control whether the economy is good or bad. If we could control that, the economy would constantly be good. What politician of either party would deliberately preside over policies that make the economy go bad and the voters get mad? If it were up to the Congress to say, "Do this, and the economy will be good" or "Do that, and the economy will be bad," every Congress, regardless of ideological stripe, would always say, "Let's do what makes the economy good."

So maybe it is time to visit just a little bit about what causes the business cycle. It is not elections. Recessions are caused by one of two general categories of events. One which we cannot control is outside shocks, such as 9/11, such as the oil shock that set off the recession in the 1970s. Recessions are

caused by shocks that are outside our control.

Or the second general category: They are caused by a series of mistakes, mistakes that business men and women make. They make decisions about purchasing stock and then discover they have too much inventory. They make decisions about going into a market and discover that the market will not work, and they have to lay people off. They make decisions about the future of their product and then discover the product will not sell, so they have to cut back.

When the number of decisions that are wrong exceeds the number of decisions that are right, in an \$11 trillion economy, you get a recession. The recession is the way those mistakes are paid for. The recession is the way the impact of those mistakes are corrected.

Perhaps the most dramatic one I can think of was the recession of 1958 where the automobile industry collectively made a series of major mistakes. They assumed the boom they had in previous years—1955 model year, 1956 model year, 1957 model year—was going to go forward, and then suddenly they discovered they had huge amounts of inventory on their hands, as people did not buy cars at the same level they had projected. As a consequence, the automobile industry started to shut down until the inventory got sold off. That meant the steel industry, the aluminum industry, the glass industry, the rubber industry, all had to shut down because they were not building cars, and we had one of the most difficult recessions we have had in the postwar period in 1958. The recession was the way you corrected those mistakes. It did not have anything to do with who was elected President or who was elected to the Congress; it was caused by a series of bad business decisions on the part of people in the automobile industry.

Look at the recession we have just gone through. What did it come on the heels of? Yes, 9/11 was there. Yes, there were some outside shocks. But it came after what we called the dot-com bubble. A lot of jobs were created in companies that were not earning anything. They had no income other than selling stock on the stock market. People got caught up in the froth of the dot-com bubble: This is going to be a great future; we are going to buy the stock, and we are going to get rich.

Somewhere along the line somebody said: But where are the earnings? When it dawned on people these companies with these brilliant projections and plans had no earnings, shareholders decided they did not want to hold those stocks anymore. The dot-com bubble burst. The stock market collapsed, and we were on our way toward a correction or, if you will, recession. It had nothing to do with who got elected.

But this point I want to make: Maybe we in government can't create economic growth. Maybe it doesn't

matter who gets elected in terms of economic power. But we can certainly do dumb things that can hurt it. The Federal Government can't create jobs, but the Federal Government can mess up the economy in such a way that jobs are destroyed.

How do we do it? One of the ways that we disrupt the economy, and we do it regularly, is by our tax policy. We can create an atmosphere where it is easier for the economy to grow, or we can create an atmosphere where there are penalties in the form of taxes when the economy grows.

I have told this story before about my own experience founding a company and making it grow in what some have called the decade of greed. When Ronald Reagan was President and the Congress created a situation where the top marginal tax rate was 28 percent, oh, what a tremendous windfall for the rich to have the top marginal tax rate at 28 percent. What they don't realize, those who talk about how terrible this was, is that the enormous economic growth we had in the 1980s, and indeed on into the 1990s, in my view, was spurred by the fact that a company like ours, starting with four employees and growing ultimately to 4,000, was able to finance that growth because we were able to keep 72 cents out of every dollar we earned.

When the Clinton administration came in, and the Congress responded to his call, the top marginal tax rate went effectively to over 40 percent, which meant a starting business was able to keep only 60 cents out of every dollar that it earned and had to go someplace else to finance its growth rather than from internal funds.

I have made these points before. I have learned in the Senate there is no such thing as repetition because on the other side of the aisle we get the repetition day after day about how terrible the economy is.

I say again, in conclusion, the next President, whoever he is, will preside over a strong and robust economy. The groundwork for that reality has been laid during the last 4 years. Whoever takes credit for it in the next 4 years will be taking credit for work that was done prior to his taking office.

I yield the floor.

The PRESIDING OFFICER. The Senator from Wyoming.

VENUE SHOPPING

Mr. THOMAS. Madam President, I appreciate the comments of the Senator from Utah. Certainly, the impact of the economy on all these things is a little hard to determine and easy to make political. I hope we can understand and stick with some of the economic elements that are there and then deal with the political ones that go with it.

First, let me say I am a little disappointed in the way we are moving in the Senate, frankly. We don't have many days left to deal with a number

of issues. Frankly, I think we have about four or five issues that we ought to be dealing with. One, of course, is the difficult one called the budget.

Some people out there say: Why do you fool with it? You don't pay any attention to it anyway.

That is not true. It is a way to protect spending within the limits of the budget. If you don't have one, that makes it difficult.

Appropriations, of course, must be done by the end of September in order to continue to deal with the things we must do.

I believe our energy policy, where we are going in the future, ought to be laid out. That is one of the most important issues we have before us.

And as the Democratic leader said this morning, the highway bill has the most direct impact on the creation of jobs of anything we could do, and we have completed all the efforts on that for some time.

I am certainly hoping that we can move forward. Unfortunately, we have been held up by this idea of having unrelated amendments to every bill. We ought to fix that issue. When we are on an issue, we ought to stick with that issue and have only amendments that are pertinent. But that is not the case, of course. We use every bill as an opportunity to bring up something totally unrelated, and that has been a problem.

In any event, I will discuss a little while this morning something that is related to what we are talking about on the Senate floor. It isn't part of the bill, nor do I expect to put it in as an amendment, but I think it is something that is quite important to the legal system, particularly as it affects decisions vis-a-vis public lands. Of course, being from Wyoming—the Presiding Officer being from Alaska—a large percentage of our States is public lands. So how decisions are made with respect to those is very important.

Furthermore, we find ourselves with an increasing number of lawsuits. Unfortunately, we almost have ourselves in a position of managing through lawsuits as opposed to managing based on good decisions.

I would like to talk a moment about venue shopping. We have been steamrolled in Federal land issues by judges who are thousands of miles away from the area where the question is raised. Specifically, these courts have systematically denied access to Yellowstone and Grand Teton National Parks. We have national parks to protect them, and at the same time, so that people can enjoy them and have access to them. Those are the important things.

Special interest groups that have different feelings about it like to search out over the country for a venue where they think they can go that will give them the best opportunity to succeed in the lawsuits that they have filed. Environmentalists tend to go to a venue in Washington, DC, for a more sympathetic court than those courts